CJ CheilJedang strives to lead preservation and protection of the planet by building a ‘sustainable environment’ system and aims to provide reliable food to our customers with the core value of ‘health and safety’ as our top priority. To achieve these goals, we have established a transparent, traceable, and sustainable supply chain system and this Sustainable Palm Oil Policy contains a revised version of the palm oil sector in “CJ CheilJedang sustainable raw material sourcing policy”.

Palm oil extracted from palm trees is the most produced vegetable oil in the world due to its high productivity and economic efficiency. As palm oil consumption soared, facilities for palm oil production were indiscriminately created, resulting in various environmental problems such as forest devastation, biodiversity loss, air pollution through slash-and-burn farming, and social problems such as violation of indigenous housing rights and human rights.

CJ CheilJedang aims to minimize the negative impact of palm oil production and consumption on the environment and society, produce and sell sustainable palm oil, and in 2017 we joined the RSPO (Roundtable on Sustainable Palm Oil) which is not-for-profit, international membership organization to promote the growth and use of sustainable palm oil. Since then, this policy has been enacted after forming an enterprise-wide consensus and internal consultations such as purchase, production, and marketing.

SCOPE

This policy applies to all domestic business sites that purchase, produce, and sell palm oil, and it is expected to expand further through collaboration with subsidiaries and suppliers all over the world.

Currently, we do not use palm oil to manufacture processed foods, nor sell to customers for home use. We only supply palm oil products to B2B customers by mixing our manufactured oil and palm oil upon their request.

PRINCIPLES

CJ CheilJedang complies with local laws and international standards when purchasing palm oil, and adopts the principles of NDPE (No Deforestation, No Development on Peat, No Exploitation) as following.
- No Deforestation and Conversion of all Natural Ecosystems
  - Protect natural ecosystems that are important for preserving biodiversity such as
    savannas and wetlands.
  - Protect the High Conservation Value (HCV) zone of biological importance, which is vital
    habitat for endangered species.
  - Protect high-carbon storage (HCS) forests that reduce greenhouse gases by absorbing
    more carbon dioxide.

- No Development on Peat
  - Protect peatlands that serve as carbon storage, water management and protect
    biodiversity.

- No human rights violations in the entire process from product development to
  distribution. (No Exploitation of People)
  - As stated in the ‘CJ CheilJedang Declaration of Human Right’, respect universally
    recognized human rights in the entire business process from product development to
    distribution.
  - Apply the principle of free will and informed consent (FPIC\(^1\)) to protect the rights of
    indigenous peoples and communities

COMMITMENT

CJ CheilJedang supports the sustainable palm oil industry, and will implement the following
actions to fulfill our palm oil principle with our customers and suppliers.

- From 2022, we will purchase and use 100% RSPO-certified sustainable palm oil (CSPO).
  - CSPO is palm oil that meets the principles and standards for sustainable palm oil
    production through a third-party certification body. By purchasing RSPO-certified palm
    oil, we minimize the negative impact on the environment and society in sustainable palm oil
    production areas.

- We will transparently disclose the annual implementation status of the above CSPO
  purchasing principles.

\(^1\) Free, Prior and Informed Consent

November 2021
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